

DEPARTMENT OF THE NAVY

NAVY REGION MID-ATLANTIC PUBLIC AFFAIRS OFFICE

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FOR IMMEDIATE RELEASE

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Navy to Commence Residential Energy Conservation Program

NORFOLK, Va. – Military renters in Hampton Roads privatized (PPV) housing communities will assume some responsibility for the energy they use beginning next month when the Residential Energy Conservation Program (RECP) begins here.

Currently military renters in the privatized communities managed by Lincoln Military Housing surrender a portion of the Basic Allowance for Housing (BAH) for utilities as part of their lease agreements. BAH includes a utilities allowance for electricity, gas or other heating fuels, and water/sewer. The BAH includes the cost of utilities based on averages from residents living in the private sector who are directly responsible for paying for their utilities.

The RECP is intended to encourage residents to use utilities wisely and conserve energy.

In September 1998, Department of Defense issued a policy to transfer responsibility for the consumption of utilities from privatized (PPV) housing projects to residents. The Navy is implementing the RECP program in Hampton Roads now that most PPV homes are individually metered. Research shows that residents use 20+% less in utilities when they are directly responsible for utility usage. The RECP helps to bring PPV utility usage in line with usage in private communities, and any savings are reinvested into the project for long term sustainability.

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Navy Region Mid-Atlantic is responsible for the operation of Navy installations from North Carolina to Maine and providing support programs and services for the fleet, fighter and family.

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The RECP establishes Like-Type Groups (LTG) of housing and measures the average usage for the similar houses every month. A 10% buffer is added above and below the average to create a Normal Usage Band. Residents will receive monthly statements on how their usage compares to the Normal Usage Band. Those using more than the Normal Usage Band pay for the excess and those using less than the Normal Usage Band will receive a rebate or credit.

Hampton Roads residents in PPV housing began receiving information about the energy conservation program early this year. The residents began receiving mock statements in August.

While it is too early to ascertain kilowatt usage savings due to RECP in the Hampton Roads area, Navy-wide project savings where RECP has been fully implemented and that have historic comparison data have demonstrated an approximate 15% conservation. We predict, based on experience, that two-thirds of residents will either pay nothing or receive a rebate.

The Mid-Atlantic area is one of the last Navy regions to participate in the program. RECP was started in Hawaii in 2011. The program rolled out in other states this year and will continue with the Northeastern states joining throughout 2014.

The program was originally scheduled to begin live billing in October once the metering and processes were in place. The Navy moved the live billing date to January to ensure all processes were in place and to allow residents additional time to prepare and understand their bill, their usage and the resources available to help manage usage. Most residences have automated metering installed. Residents with the automatic metering systems can also monitor real-time usage on-line. Of the 4,383 units in Hampton Roads, 679 new construction units will maintain manually read meters until automatic meters are installed.

Since the program is new, the Navy is encouraging any residents with questions or who want to schedule a home energy audit to contact their local PPV community manager, or their installation's Navy Housing Service Center.

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Hampton Roads Navy Housing Service Centers

Naval Station Norfolk/Norfolk Naval Shipyard: 445-2721

Naval Support Activity Hampton Roads: 444-2939

Naval Air Station Oceana: 433-3268

Joint Expeditionary Base Little Creek Fort Story: 462-2792

Naval Weapons Station Yorktown: 637-9082

The RECP web: <http://www.cnic.navy.mil/ffr/housing/recp.html>

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FAQs Follow

Residential Energy Conservation Program

<http://www.cnmc.navy.mil/ffr/housing/recp.html>

Q1. Why did the Navy decide to start RECP?

In September 1998, OSD issued a policy to transfer responsibility for the consumption of utilities from privatized (PPV) housing projects to residents. The Navy is implementing the RECP program now that most PPV homes are individually metered. Research shows that residents use 20+% less in utilities when they are directly responsible for utility Usage vs. Payments. The RECP helps to bring PPV utility usage in line with usage in private communities, and results in savings that will be reinvested to improve PPV community quality of life.

Q2. When will the RECP program start at my installation?

The current roll out schedule for Phase I of the RECP is shown in the below list. Phase I includes units that have individual electric and gas meters and processes in place to bill residents. Follow-on phasing timelines are yet to be scheduled for the remainder of homes that are still in the planning stage.

Hawaii: Live Billing Started January 2011 (96% of homes)

Southeast (FL, GA, MS, SC, TX): Live Billing Started April 2013 (88% of homes)

New Orleans (LA): Live Billing Started August 2013 (79% of homes)

Midwest (IL): Live Billing Started September 2013 (80% of homes)

Northwest (WA): Live Billing Started August 2013 (80% of homes)

Southwest (CA, NV): Live Billing to Start October 2013 (42% of homes)

Mid-Atlantic (DC, MD, VA, WV): Live Billing to Start January 2014 (100% of homes)

Northeast (CT, ME, NJ, NY, RI): Live Billing to Start January 2014 (50% of homes)

District of Columbia (DC): Live Billing to Start August 2014 (100% of homes)

For more information about when the RECP will roll out for a specific Navy installation or neighborhood please contact your local Navy Housing Service Center.

Q3. How does this program work?

The Resident Energy Conservation Program (RECP) establishes Like-Type Groups (LTG) of housing and measures the average usage for each like type group every month. A 10% buffer is then added above and below the average to create a Normal Usage Band. Residents will receive monthly statements on how their usage compares to the Normal Usage Band. Those using more than the Normal Usage Band pay for the excess and those using less than the Normal Usage Band will receive a rebate or credit.

Q4. How do Sailors, Marines and their families benefit from RECP?

Any RECP generated conservation and cost savings are reinvested into the PPV project for funding future project costs to maintain high quality housing and neighborhoods. A very small amount of the savings are shared with the PPV owner per cost-sharing percentage as negotiated in business agreements.

Q5. How is my usage target determined?

Your house will be combined with other housing units into LTG of metered homes that have similar characteristics that affect home energy performance such as the square footage, age, and condition of the home. Each month the average usage of utilities for the LTG are developed with a 10% buffer above and below the average to create a Normal Usage Band. Residents with usage above the Normal Usage Band will pay for the excess and those using less than the Normal Usage Band will receive a rebate for their savings.

Q6. What if there is an extremely hot or cold month?

The Normal Usage Band is calculated anew each month using with other occupied homes in the same like type group that experience the same weather conditions.

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Q7. Can I get information about my LTG?

Yes, your Resident Services Manager/Housing Office can provide you with that information.

Q8. How will this program affect my Basic Allowance for Housing (BAH)?

There will be no impact to the BAH allowance.

Q9. Isn't a utility allowance already part of my BAH?

Yes. An allowance for "normal" utilities is a part of the BAH. BAH includes an allowance for the following utilities: electricity, gas or other heating fuels, and water/sewer. The BAH includes the cost of utilities based on averages from residents living in the private sector who are directly responsible for paying for their utilities. The RECP is intended to encourage residents to use utilities wisely. If you conserve and use utilities wisely within the normal range, you will have no out-of-pocket utility expense and with a little extra effort could be eligible for a utilities rebate.

Q10. How does billing work?

Every month residents will receive a monthly statement that shows how their usage compares to the Normal Usage Band for their specific like type group. Residents who use less than the Normal Usage Band will accrue a credit or rebate and residents who use more than the upper Normal Usage Band will pay for excess consumption. Before residents are responsible for payments they will experience a "mock billing period." When the program first starts at a new location all residents will receive "mock bills" that will allow residents to adjust their consumption before live billing starts. After mock billing the live billing period starts and residents will be directly responsible for their utility usage.

Q11. Does this program mean I have to pay a utility bill every month?

No. If your usage is within the Normal Usage Band you will not have to make any payments. Only if you exceed the Normal Usage Band will you have to pay and then only for the amount over the Normal Usage Band. If you are below the Normal Usage Band you will receive a rebate for the difference between the amount consumed and the lower end of the usage band. If you are within the Normal Usage Band there is no action required.

Q12. How and when will I expect a rebate or a payment?

Residents whose monthly utilities usage is below the Normal Usage Band will be notified in the monthly utility usage report including the amount of the rebate earned. When the accumulated rebate exceeds \$25 the property manager will issue a check to the resident. Residents have the option to "bank" the savings if they want and use savings to offset future payments. The payments work in a similar fashion – the resident will be notified monthly and will make payment whenever the total owed exceeds \$25.

Q13. How do I know that my utility usage report is correct?

Your monthly utility usage report is based on the actual recorded readings of individual utility meters on your home. The PPV project company hires a utility billing expert to collect information from the meters and develop a usage report for each home. The billing company expert and the Navy monitor the accuracy of monthly billing. If you feel there are inaccuracies on your bill, please contact your property manager for review.

Q14. How can I be sure my home is energy efficient?

Residents can request their property manager perform an evaluation of the home to ensure that all of the appliances and energy using features of the home are in good order. The property manager will also provide tips on how to make your home more energy efficient.

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Q15. If my neighbor in the same like type group has a more efficient kitchen appliance, does that entitle me to new appliances?

In most cases all homes in the same like type group will have the same appliances however typically the like type group will not change due to different kitchen appliances. However, if a home has different heating or air conditioning systems or water heaters they will not be in the same like type group.

Q16. We have two children in our family and live in a 3-BR home. Many of our neighbors do not have children. Will the monthly usage average for our LTG be skewed?

The rent for PPV homes is typically the BAH rate. BAH does not vary depending upon family size. Families are placed in homes appropriate for the size of the family and only similar homes will be included in average calculations.

Q17. What happens if I don't pay on time? Will late payments affect my credit?

Residents with a past due account will receive delinquency notice letters and a late fee. Extreme delinquencies can result in a notice to vacate housing and can potentially affect your credit. The PPV partnership will work with you to arrange payment plans if you need help making payments.

Q18. Am I responsible for paying for water usage?

At this time PPV homes are not individually metered for water therefore the RECP excludes water. Water conservation is very important because excess usage drains funds from the PPV project. You can expect to see the property manager promote water conservation initiatives in your PPV housing area even though the homes are not individually metered.

Q19. If this is a Department of Navy program, do I have to participate if I am in another branch of Service?

All military members, regardless of branch of Service, living in Navy and Marine Corps PPV housing must sign a lease that requires the resident to participate in RECP. The Army and Air Force are transferring responsibility for payment of utilities to residents that live in their privatized housing much like the Navy and Marines Corps.

Q20. How can I reduce my energy usage in PPV housing?

The easiest way to reduce your energy usage is by regulating your thermostat to minimize heating and or cooling requirements. Wise use of hot water, lighting and appliances can also contribute significantly to energy savings. Finally, you can request the property manager perform an energy audit to identify energy savings strategies specific to your home.

Q21. Is there a waiver policy if a member in my family has a medical circumstance that requires us to use more electricity?

Yes. All military personnel and their dependents applying for or living in privatized housing are eligible to apply for a waiver or an exemption to the requirements of the RECP. Military residents or applicants of Navy privatized housing required to consume significant amounts of electricity and/or gas as a direct result of their unique medical circumstances that requires use of a qualifying life-support device and/or medically necessary additional heating or cooling may request a waiver from participation in the RECP by submitting a waiver request consistent with Navy guidance. Wounded Warriors are exempt from the RECP upon request. See RECP Waiver Forms.

Q22. What utility rate will I be charged when living in PPV housing?

You will be charged the same rate the PPV partner is charged to provide utilities to your home. The rate will be included on your bill and is available at any time by contacting your PPV property manager. Sometimes the utilities are provided by the supporting Installation for the PPV project and other times it will be the rate from a 3rd party utility provider. By law, the PPV partner is not allowed to charge you a higher rate than they pay for utilities.

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Q23. If have more questions than these, where can I find more information or assistance?

For any element of the program you have questions about you are encouraged to immediately contact the billing provider, your PPV Housing Community Manager (Balfor-Beatty or Lincoln Military Housing) or your installation Navy Housing Service Center. For more information online and for access to waiver forms, visit the RECP Page at <http://www.cnic.navy.mil/ffr/housing/recp.html>.